

CAPTURE FAMILY BUSINESS STORIES TO IMPROVE LONG-TERM SUCCESS

Family businesses owners worry a lot. On top of routine worries, they also wonder if the next generation will be prepared to come into the business. Will they even be interested? Will the company's values be lost over the generations?

These owners worry for good reason. Statistics regarding family business succession are disheartening — only 33% of businesses survive the second generation; only 12% survive the third, according to research by Northwest Trust published in May 2019. Those numbers were substantially the same over a decade ago and show there's progress to be made on getting family business succession right.

Experts' advice on succession typically emphasizes key principles: Start early — at least seven years. Listen to outside advisors. Get a realistic valuation early on and keep it up to date. Make sure the next generation gets three to five years of experience outside the business.

An additional principle can be equally important: Tell your stories. Researchers Marshall Duke and Robyn Fivush at Emory University have studied the role of family history in children's resilience and emotional well-being. They discovered that the most helpful stories in developing these traits are a specific kind of story — not the simple ascending story of "we started with nothing, worked hard,

and became successful," and not the descending story of "we used to be successful, but then we lost it all." They describe the oscillating family narrative, which describes ups and downs, that build resiliency and best equip children for life's disruptions. In this type of story, family businesses have ups and downs, but hold together and find a way forward. Children who grow up hearing oscillating narratives develop a strong sense of belonging to something larger than themselves — an intergenerational family. Their research should reassure family business owners who hope to successfully pass their business on to their heirs.

Personal historian Anita Hecht has helped dozens of families preserve their legacies in audio, video, print, and multimedia formats since 1997. "The origin of my business is the belief that these stories are meaningful and valuable for the next

generations in developing their own sense of self, with roots to grow from," she says. "When there is a business in the family, there is a powerful opportunity to capture a rich history of our relationships to work, our loved ones, money, technology, historical events, taking risks, giving back, and so many other compelling topics."

The Deadman Family's Chocolate Shoppe Ice Cream

Dave Deadman is a second-generation leader of Chocolate Shoppe Ice Cream, a Madison, Wisconsin, ice cream company founded in 1962 by his parents, Chuck and Nancy Deadman. At his suggestion, the Deadman family captured their business's story with Hecht's help. While succession planning wasn't his driving motivation — the family began planning decades earlier — he wanted to ensure the family and business history were not forgotten.



Groundbreaking for The Chocolate Shoppe Ice Cream's new ice cream mix plant. From left: Charlie Deadman, Chuck Deadman Jr., Chuck Deadman Sr., Nancy Deadman, Sarah Deadman, Dave Deadman.

Deadman and his brother, Chuck Jr., grew up scooping ice cream at the family's shops and at Madison festivals. Chuck Deadman Jr. was the first of the second generation to enter the business. Dave joined Chocolate Shoppe Ice Cream's leadership team in the mid-90s after a career in finance took him to New York City and Chicago. The two sons and their parents are now equal partners in the business. "Our parents started guiding us to learn to make our own decisions early on," said Dave Deadman. "They were in a good position to step back" about two decades ago. Both still have roles in the business. "It's good to have their knowledge available," he says.

The next leadership transition for Chocolate Shoppe Ice Cream is still 15 or 20 years away. Deadman and his wife, Sarah, (who also works in the business) prepare their children the same way they were by his parents — with a daily diet of stories from the business, often around the dinner table.

"They helped us understand the roundedness of it — that there can be great things and hard things in a business," Deadman says. "We try to show them that some days are great and sometimes business is boring. Sometimes we disagree on a decision. But when we go to a family function, we put that aside — we don't let it come between us. Our family members are going to show up for work tomorrow and we're going to work things out." Through conversations and the recorded family business history, the Deadman family is preserving the legacy of their oscillating family narrative.

Five Generations of Construction at JP Cullen

George Cullen, Co-President, is a fifth-generation family member within JP Cullen took an early interest in the business while he was raised on an oscillating family narrative. Born into a family construction company with locations in Janesville, Milwaukee, and Madison, Cullen joined his father at job sites. "One day I asked my grandfather

how a tower crane gets put together," he says. "He said, 'We have one going up on Saturday. Let's drive to the job site.'"

The Cullen family story was intentionally preserved for family and employees in a book commissioned by Cullen's father and uncles to celebrate the firm's centennial in 1992. "My grandfather took a major interest in the genealogy of our family," Cullen says. "He was one of the only people with knowledge going all the way back to the founder." The book was updated in 2017 for the firm's 125th anniversary.

While the Deadman family's history is intended solely for the family, the Cullen's is presented an elegant coffee table book to each existing and new employee as well as business partners and clients to celebrate the past and see themselves as key members of the future. No matter which form a family business history takes, it should excite the owners and family members and encourage them to buy into the process of succession planning.



The Cullen family gathered in front of historic timeline display in their Janesville headquarters. From left: Sean Cullen, Jeannie Cullen Schultz, David Cullen, Mark Cullen, Richard Cullen, Laura Cullen, George Cullen.

Dean Stewart, Executive Director of the Center for Exceptional Leadership in the Donald J. Schneider School of Business and Economics at St. Norbert College, and a founder of its Family Business Forum, emphasizes the importance of being intentional about the intergenerational transfer. "When they put in place the framework for successful transition and they execute on that strategy, they're more likely to be successful," he says. Solid groundwork for family business succession happens when young family members work within the business during summers and hear family stories told regularly.

To Capture a Legacy, Tell These Kinds of Stories

To capture that oscillating narrative that prepares generations to carry on the family's legacy, tell stories that highlight values, connect generations, and convey beliefs.



VALUES

Some stories show how values like hard work, ambition, and discipline contributed to the success of the family business. Growing up, Cullen often heard stories about how the family kept the business going during the Great Depression. "My great-great-grandfather, JP Cullen, rode his bike from Janesville to Mount Horeb to inspect work because that was the only way he could get there. That story shows how committed he was to seeing us complete our work and stay in good standing with our client," he says.

Other stories Cullen grew up hearing conveyed the values of putting quality first and tolerating risk. "My family emphasized that construction is such risky business, it's important to live within your means, so that when times are difficult, you can keep the business strong."

When Dave Deadman returned to the family business in the mid-1990s, his experience outside the family business contributed fresh perspective. "We didn't have a brand," he says. "I said we absolutely have to get a logo designed. There was heated debate about it. My brother and parents said no. I spent my own money on it. Any other employer would have fired me." Conflict is not

uncommon in family businesses; it is important to include stories that show how the family navigated situations involving differences of opinion.



CONNECT GENERATIONS

Some stories connect one generation to the next, and to employees who make the business successful. Cullen says his grandfather told him, "The most important person in our company is the person swinging the hammer." This stayed with him. "He meant that everything we do should support the effort of our tradespeople," he says.

When family generational stories are preserved, the longevity perspective is valuable to the oscillating narrative. "That continuity can have a powerful influence," Stewart says. "Stories convey that we didn't get here without a lot of help from others."



BELIEFS

Founder's beliefs and intentions are important in a multi-generational family business legacy. For instance, many family businesses believe that younger family members must work outside the company before taking on a management role.

The JP Cullen family employment policy

mirrors that best practice and requires family members eligible to join the company to apply for an open position and go through an interview process.

Chocolate Shoppe Ice Cream has a similar policy. "I'm adamant that you should not be working in the family business if you don't love it," Deadman says.

Stewart agrees. "Sometimes family members aren't the right individuals for the business," he says. "You have to ask, 'Do the children want to be part of the business? If so, what's the right role for them?' If they do come into the business, ensure they earn credibility with employees by working alongside them before moving into leadership."

Philanthropy often is another multi-generational intention. The Deadman family emphasizes the importance of education and giving back to the community. "The Madison community supports us, choosing to buy our ice cream, and we feel it's extremely important to put money back into the community," Deadman says. "We want to ensure it continues to thrive." Concerts on the Square and local music festivals receive support from Chocolate Shoppe Ice Cream. And, Deadman said, "To any school that calls, we will donate ice cream or coupons." Through its Employee Scholars program, Chocolate Shoppe Ice Cream has funded higher education in accounting and finance and technical training in industrial maintenance.

The JP Cullen Foundation, established by three fourth-generation brothers in honor of their father, has given over \$4.26 million in gifts and grants in the Janesville, Milwaukee, and Madison communities. The business supports area universities through internships

and co-ops, scholarships to students studying Engineering or Construction at two or four year degree schools, participating in career fairs, and guest lectures. The family foundation also matches employees' personal charitable donations.

Stewart, who grew up in a family business, advises younger generations in family businesses to get involved in community stewardship, serving on boards of nonprofits. Alignment with founders' values is "about setting an example by word and deed," he says. Sharing stories of all kinds helps to increase the well-being of young family members, but stories about values, connections, and beliefs directly contribute to successful business transitions.

Build a Culture Around Forthright Storytelling

The oscillating family narrative results in a more cohesive family with aligned goals for their business, finances, and philanthropy. Create a culture where stories aren't just told but used as conversation-starters. "The leader has to share the legacy, but also ask for feedback, new ideas," observes Stewart. "If the family leaders say, 'We are in this together,' then they need to listen to the younger family members. The only way the younger generation will have a voice is for the older generation to listen and act on what they hear. It's what we call adaptive leadership."

Are there obstacles to using family history to encourage more successful intergenerational business succession? Yes. "Sometimes when I'm working with a family business, they just want to tell that ascending family narrative," Hecht says. "But there's no depth to that, no lessons being learned."

Honest, oscillating stories about companies' ups and downs often compete with the need for confidentiality or anonymity. Representing hidden agendas, unspoken hostilities, and inter-family rivalries are challenging. With appropriate context and compassion, these stories can give the oscillating family narrative its power. "It's very helpful for people to have a historical sense of the company they work for," Hecht says. "You have to have a story. If you have a clear understanding of where you come from, it informs your ideas, your decisions, and your values."

To meet the challenges of succession in a family business, don't let the obstacles stop you from deploying the power of the oscillating family narrative. It doesn't matter whether you choose an informal collection of documents or an intentionally impressive coffee table book, telling the stories is an important part of a lasting family business legacy.

What to Include in a Family Business History

Remember to highlight stories that reveal the founders' values, connections, and beliefs.

- **Origin stories:** Show family traits that led to the business venture. Were your relatives more likely to "seize the day" than to avoid risk?
- **Turning points:** Explore how choices were made about leadership, ownership, and succession.
- **"How" stories:** Record policies and the reasons they were implemented; for example, how family members' careers were managed, how disagreements resolved, and how important decisions are made.
- **"Why" stories:** Investigate founders' decisions and what happened as a result. Show the effect of those decisions over time. Include stories that teach fiscal responsibility through examples.
- **Key components:** Future generations and employees will appreciate a family genealogical chart and timeline of key business milestones.

How to Capture, Preserve, and Share a Family Business History

- **Decide who leads the project:** A family business member, a professional writer, or a videographer?
- **Detail the scope:** A family or business history requires research, interviewing, writing, recording, and publishing in some format.
- **Decide on a format:** Printed books, video documentaries, audio oral histories, multimedia online sites, and even wall-sized displays are options.
- **Determine what to include:** A history could be the story of the immediate family or expand to include key employees and customers. Will it be purely factual, or include opinions? Will it be illustrated with photos, trophies, or plaques? If the company does not already have an archive, it's time to start.
- **Figure out a timeline:** The succession planning stage of a company's evolution is an ideal a time of reminiscence, and to look forward. If a milestone anniversary is approaching, start well in advance (at least a year).
- **Plan a budget:** Turn to your company's marketing professionals to help determine the costs of creative services and decide on a vendor. It is not uncommon to encounter "scope creep" as the family discovers new insights from the process; be prepared to revisit the budget over the course of the project. ❖